

Department of the Interior (DOI)

Instructions for Completing the Year 2005 FAIR Act Commercial Activities Inventory and the List of Inherently Governmental Positions

General Guidance:

- Count FTE's, not positions.
- We recommend you use FPPS as the primary source of data for these inventories.
- All full-time, part-time and seasonal FTE including vacancies are to be included in the inventory. Attached is a listing by Bureau of the '05 FTE target numbers that your inventory should closely approximate. These numbers are based on the Interior/FTE Employment Status Report and discussions with the Departmental Budget Office and OMB.
- Do not include contractor employees or volunteers in the FTE counts.
- All past guidance on FAIR Act inventory coding from PMB program offices, including guidance on the finance-related functions, is hereby canceled. In the future, all guidance on inventory preparation will come through the Department's competitive sourcing office over the signature of the Deputy Assistant Secretary for Performance, Accountability and Human Resources.
- OMB allows for the reporting of fractional FTE in the inventory submission in fractions no smaller than one-quarter.
- Submit inventories electronically to CCSE on diskette(s) or in the form of an e-mail attachment, using the MS Excel reporting formats as specified in the OMB General Instructions for both commercial and inherently governmental inventories. Please double check that the correct template is being used. Any questions on this please call CCSE at 202-219-0727.
- In the **State** field of the spreadsheet, enter States within the United States by its common two-letter postal service code. For locations outside the United States, enter a two-letter abbreviation and include a key to the abbreviations with your inventory.
- In the **First Year Appeared on Inventory under FAIR** field of the spreadsheet, if you change the coding, for example – FTE going from inherently governmental to commercial reason code A, the 1st year appeared on the inventory would be "05."

Function Code Guidance:

- OMB will not accept any new function code category requests (i.e. making up new numbers like F420 or Z005) for the FY '05 inventory. However, bureaus may tailor an existing function code to its bureau by writing a definition and including it with your inventory submission.
- Attached is a listing of 160 function codes from the FY '04 inventory with fewer than 10 FTE coded under them. Unless the function code is so specialized or specific that it must remain on the FY '05 inventory, try to recode those FTE into other appropriate function codes.

Reason Code Guidance:

- The rebuttable presumption is that FTE are commercial reason code "B" unless justified in writing as inherently governmental, commercial reason code "A", or unless the FTE fall under the other approved commercial reason codes in Circular A-76. The justifications must be submitted along with your inventory.

- Written justifications for both inherently governmental and commercial reason code A FTE are to be signed at or above the Assistant Director for Administration level. While all justifications will be reviewed by the CSO, blanket justifications for large numbers of FTE coded as inherently governmental or commercial reason code A will receive increased scrutiny this year by both the Department and OMB. This does not mean that bureaus need to shy away from appropriate use of code A – just that the use must clearly be defensible. OMB is looking for more consistency and accuracy across all agencies, and the Department is looking for consistency and accuracy across bureaus. In order to successfully defend our inventory, we need to be able to understand and come to agreement on all coding decisions.

Consistent DOI coding information:

- Coding of supervisors and managers: Bureaus should consider coding FTE that manage commercial activities or functions under the same reason code as the commercial activity or function they supervise. For example, a first-line supervisor of clerical functions may be appropriately coded as reason code B. Managers at headquarters offices may be inherently governmental as they generally approve and implement policy for a function. Mid-level managers may reasonably be coded as reason code A with a proper justification. Mid-level managers may supervise a combination of FTE – inherently governmental, core to the mission and commercial B. They are also at the organizational level to step into senior level management positions.
- All secretarial and clerical functions (generally FTE in most of the GS-0300 job series except for GS-0301, 0340, 0341, 0343 which are project/program management series) should be coded under Y000.
- All Information Technology (IT) FTE (Job Series 2210, 2299 and 2502 for example) should be coded under “W – Communications, Computing and Other Information Services.”
- All wildland fire FTE should be coded per the matrix which has been approved by both the fire program offices and competitive sourcing offices of BIA, BLM, FWS, NPS and the Forest Service. The matrix is still under review and will likely be sent out separately from this guidance.
- COR/COTRs - Code only that portion (25% or more) of a Contracting Officers Representatives (COR/COTR) FTE as inherently governmental that can be justified as such. Having taken the training and holding a certification does not alone make that FTE inherently governmental. Determine what portion of an FTE is actually being spent performing COR/COTR duties and code the rest of the FTE based on the other functions they perform.
- If bureaus previously automatically coded commercial FTE in sites with fewer than 10 commercial FTE as reason code A, they should re-examine this practice. These FTE are already listed in the Department’s Green Plan as not suitable for competition on a site by site basis. There may be opportunities in the future to compete several such sites as part of larger, combined studies, however. For inventory purposes, these FTE should generally be coded as reason code B.
- Job Corps Center’s FTE should be coded consistently. BOR and NPS should coordinate this effort and to the extent that FWS has centers, FWS should also be consistent.
- In an effort to be more consistent across all bureaus, code FTE performing specific functions to the function code category specifically designated for that function. Examples of proper coding include Budget and Finance to function code C – Finance and Accounting; Procurement, Contracting, Acquisition to function code F – Procurement; Human Resources to function code B
- Personnel Management. Examples of incorrect coding include coding a contracting FTE to function code R (Research, Development, Test and Evaluation) because they write research and

development contracts or coding personnel classifiers to function code I (Investigations) because they support a law enforcement office. Be consistent.

- There were considerable discussions about where to code architects and engineers. There may be some exceptions but for the most part architects and engineers (generally the GS-0800 series) should be coded under T804 – Architect-Engineering.
- We still do not have consistent coding of scientific FTE. Some bureaus are automatically coding them as inherently governmental while others code them as commercial reason code B, or have written justifications and coded them to commercial reason code A. If these FTE are not coded as commercial B, then your justification must be submitted with your inventory and is subject to review and approval/rejection by the Department and OMB. If justifications are not approved, your inventory will not go forward until we reach agreement.

After meeting with several governmental agencies, the Chief Acquisition Officer's Council developed 14 standard lessons learned that are incorporated into our guidance as follows:

1. Some agencies have combined (lumped) several functional groups FTE's into one function code to simplify inventories. DOI will use an analytical approach to placing our FTE's into their proper function code.
2. There is some confusion as to what a "function" is versus an "activity" and agencies are looking for clarification. An "activity" is a specific task or grouping of tasks that provides a specialized capability, service or product based on a recurring government requirement. Depending on the grouping of tasks, an activity may be an entire function or may be a part of a function. An activity may be inherently governmental or commercial in nature. Normally, a "function" would be one or more FTE performing activities to accomplish a larger mission.
3. Some agencies are using rules of thumb (e.g.: 10% must be managers so let's declare 10% as IG) to determine coding requirements. However, there should not be any rules of thumb or allotments. Each FTE is determined on a case-by-case basis.
4. Some agencies are splitting FTEs into tiny fractions: 1-10%. DOI will not split below one-quarter (25%).
5. Some agencies determine their FTE as inherently governmental or commercial by policy rather than by analysis. Take the time to decide based on analysis.
6. Some agencies have used inherently governmental as a shortcut instead of using commercial reason code A. OMB has provided some general guidance on the differences between these two categories and we will continue to work, on case-by-case basis on any questions brought to CCSE. We will continue to provide input to OMB in refining the definitions.
7. Life, Liberty and Property inherently governmental criterion is unclear. OMB is working to provide examples of what this really means. As stated in number 6 above, as bureaus bring their questions to CCSE, we will provide guidance on case-by-case basis.
8. Agencies vary on how they approach placement of PhD research scientists among R 110, 140, and 660 function codes. It has been suggested to have USDA, with an interdepartmental group, be in charge of establishing a standard for the research community. However, our bureaus will continue to work and develop consistency in DOI until this research standard is done.

9. OMB is being asked to provide clarification if FTE performing research and risk assessment are commercial and risk management decision-making is inherently governmental. For the '05 inventory, Interior will operate on the rebuttable presumption that research and risk assessment are commercial, and that the risk management is inherently governmental.
10. Sometimes Congress decides that certain FTE are inherently governmental or commercial reason code A, and the agency has no discretion. We must obey the law or have the law changed.
11. An agency asked the question, "If somebody else pays their salary (e.g.: another country, or cooperating agency) does using commercial code B make any sense?" The answer is "it probably doesn't make sense and these FTE are likely candidates for commercial reason code A justifications."
12. Considerable movement between categories, (inherently governmental, commercial reason codes A or B) from one year to the next. We need to be able to track these changes and analyze the trends.
13. Many agencies have remarked that they do not get "credit" for current workload already contracted out. In agencies or bureaus that have higher levels of contracted out work, we should be able to defend a higher percentage of inherently governmental and commercial reason code A FTE, and so the competitive sourcing opportunities would be fewer.
14. Some agencies have questioned the logic behind coding some commercial FTE as reason code B when it just does not make economic sense to study them. However, these FTE may not appear to logically be characterized as reason code A. An example might be FTE in locations of ten or fewer commercial FTE. It is best to code FTE as A or B based on the characteristics of the work being performed. Since Interior has already told OMB that we have no intention to study certain Commercial Code B FTE, bureaus need not assume that all Code B FTEs need to eventually be studied.